



**Business & Financial Services Department**  
Telephone: 604-276-4097  
Fax: 604-276-4162

February 23, 2010

File:

Dear Sir/ Madame,

**Re: Addendum #3 3793P – Request for Proposal Single Family and Duplex Voluntary Water Metering Program**

The following change is hereby made a part of the Quote Documents as fully and wholly as if the same were fully set for the therein:

1. [Section 8.2.1], page 9

Changes in bold and underlined:

“Payment for item 2.1 (SoQ) for *Locate, excavate, and backfill* covers all administration work in accepting and processing the volunteer application, identifying the location of the future meter, locating the existing service connection, locating existing services and utilities, and excavating a pit that can accommodate a meter box up to **1.2m** depth in preparation for installation. It shall also include the backfill and restoration of the excavation to property owner’s or the City’s satisfaction in addition to the disposal of surplus excavated material. All surface restoration in accordance with Paragraph .4 below.”

2. [Section 8.2.3], page 10

Changes in bold and underlined:

“Payment for item 2.3 (SoQ) for Extra payment shall include compensation for additional activities authorized by the City, including dewatering, asphalt or concrete cut and restoration (including the use of a concrete box and lid as per the City drawing W2g-SD), installation of standpipes and NCR chambers and lids for curb stops installed by the City, and excavations beyond **1.2m** in depth.”

“Excavations will be paid according to depth, with separate payment items provided for depths between **1.2m** and **2.0m**, and depths beyond **2.0m**. Payment will be irrespective of volume or excavation size, roots and boulders, and shall include shoring as necessary.”

3. **Question:** Does Richmond envision the need to install intermediate meter sizes (i.e. 1½” and 2” per line items 2.2.3 and 2.2.4)? It is our understanding this is a single-family and duplex voluntary program (i.e. working on ¾” and 1” line sizes). If so, please provide a meter spec drawing as there

will be space issues for these meter sizes in a jumbo plastic pit or a T2-66 (formerly called Brooks #66) concrete box.

**Answer:** There are very rare instances of 1½” and 2” water service lines for single-family and duplex properties. The T2-66 is large enough to house these meter sizes. For plastic boxes, please use Armor 1730 XLUB. Spec drawings are attached to this addendum.

4. **Question:** It is our understanding that a signed “homeowner agreement form” is required prior to any water meter being installed under the volunteer program. This requires a site inspection by the proponent in order to detail on the form exactly where the meter is to be installed (e.g. driveway, lawn, garden, etc). Determining where the meter is to be installed may require multiple site visits (with various locating instruments such as m-scope, metal detector, etc), as the curb stop may not be visible. The proponent is responsible for the design, printing, and management related to this documentation. The document is to be approved by Richmond. Please confirm this will be required. Also, are there other vendor responsibilities that bidder’s should be aware that may not be identified in the RFP document or in the two addendums issued to date?

**Answer:** The homeowner agreement form is required as outlined above. There are no other requirements we are aware of that have not been identified in the RFP documentation to date.

5. **Question:** Items under 3.2.9 “Replace dual check valve” 19mm thru to 50mm. How would this be determined that this is required? Is the whole valve to be replaced or just the cartridges? What sort of quantities can the proponent expect each year for the various sizes?

**Answer:** Replacement of dual check valves would be required if the City or contractor determines that valve has failed. The whole valve is to be replaced. Expected quantities are unknown.

6. **Question:** Bid sheet items 3.1.2 “Concrete Meter Boxes” and 3.1.4 “Concrete Meter Box Lids”, please confirm the lid material is to be metal (not concrete).

**Answer:** Correct, lid material is to be metal.

7. **Question:** Please confirm bid sheet items 2.2.1a, 2.2.1b, 3.2.3.1 are referring to a ¾” (¾”x¾”) meter rather than a ⅝”x¾” meter. Will Richmond accept a ⅝”x¾” meter?

**Answer:** ¾”x¾” meters must be used. ⅝”x¾” meters will not be accepted.

8. **Question:** Richmond’s current meter technology comprises of Neptune touch pad and R900 radio meters. This is not only for the residential but also the commercial (ICI) meters. Is it the vendor’s responsibility to be able to read the current Richmond meter technology for the residential program? We understand per addendum #1 (response #31) that Richmond will accept two separate reading systems, but is the proponent responsible for all costs (reading equipment hardware, software, transfer file, etc) associated to both reading systems if a second radio technology is adopted?

**Answer:** If the vendor opts to offer services for meter reading (optional scope), and this part of their proposal is accepted by the City, it is the vendor’s responsibility to read all single-family and duplex water meters (including pre-existing meters). The vendor will be responsible for all costs associated with all reading systems used.

9. **Question:** Will Richmond consider alternate pit specifications (e.g. smaller pit box size, etc) where there is the potential to save the City money?

**Answer:** This can be included in the proposals as an alternate and the City will review and consider it as an option. Such alternates shall be accompanied with a detailed installation drawing with dimensions.

10. **Question:** What types of service material is used in Richmond and the expected % of each? (copper, Pex, galvanized, black muni, etc.)

**Answer:** Accurate information is not available; however, most of the water services in Richmond use high-density polyethylene (HDPE).

11. **Question:** Meter reading: please provide a breakdown of each route showing how many touch reads, radio reads and total number of residences (metered and unmetered) per route.

**Answer:** This information is not available. Addendum No. 1, Residential Water Meters – Touch Pad & Radio Read, shows the approximate distribution of reading technologies. If the meter reading option is accepted by the City, it will be the responsibility of the successful proponent to develop a meter reading strategy, including reading routes.

12. **Question:** Meter installation drawing W2g-SD does not specify any meter sizes. Does this drawing apply to all meters from ¾” up to 2 inch?

**Answer:** Drawing W2g-SD applies to all meters from ¾” to 2”.

13. Clarification: Appendix C – Schedule of Quantities, 3.1.1 Plastic meter boxes and 3.1.2 Concrete meter boxes, refer to the box only and do not include the lid.

14. The Metro Vancouver Financial Projections for 2010 to 2014 indicates water rate increases over the next five years as follows:

2010: 12.3%; 2011: 17.4%; 2012: 9.7%; 2013: 9.5%; 2014: 6.6%

For more details, refer to the attached report from Metro Vancouver titled, “Financial Projections for 2010 to 2014.”

Yours truly,

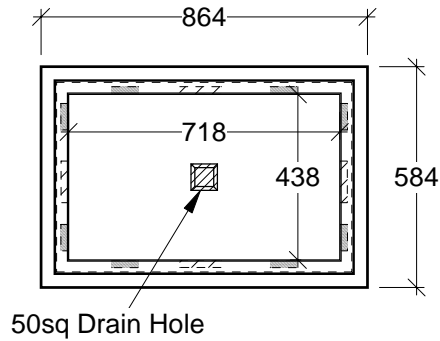


S Dosanjh  
*Buyer II - Contracting Specialist*  
*City of Richmond*

**Steel Checker Plate Lid**

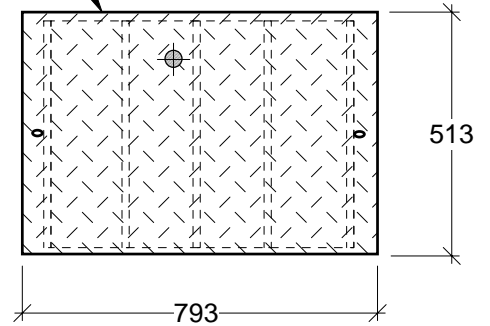
**Optional Items:**

- Galvanizing
- Bolt Down Assy
- Pad-Lock Recess
- Weld Markings - eg. "ELEC"
- 45Ø RR Hole

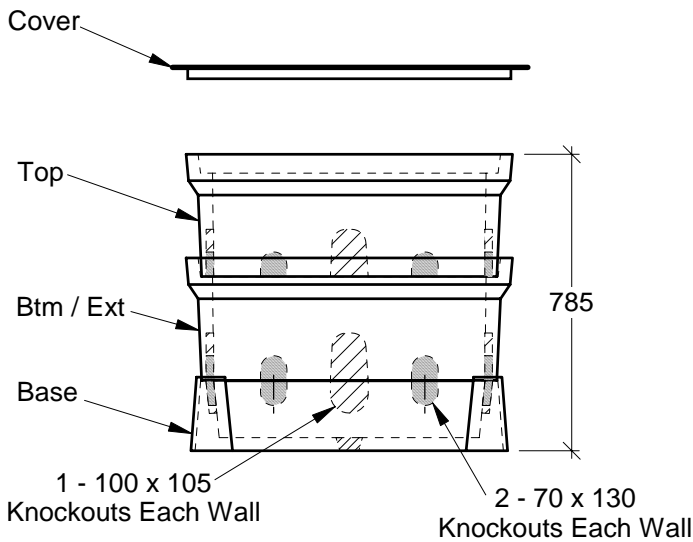


50sq Drain Hole

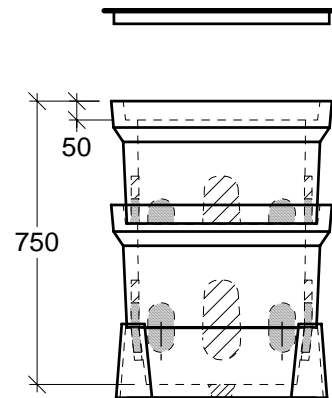
**Plan View**



**Plan View - Lid**



**Side View**



**End View**

**General Notes:**

- Products manufactured in accordance with CSA A23.4
- Designed for Boulevard (Off-Road) Use - H-20 Static Loading
- Steel Products manufactured under CSA W47.1 in accordance to CSA W59
- Site Installation, Backfilling & Suitability for Use is the responsibility of others.

**Weights:**

- Steel Cover: 30 kgs / 65 lbs
- Top Section: 64 kgs / 140 lbs
- Bottom Section: 64 kgs / 140 lbs
- Base Section: 77 kgs / 170 lbs

**T266 Service Box**



**A.E. CONCRETE**  
 Con-Force Division of Armtec Limited Partnership  
**Office:** 19060 - 54th Ave. Surrey, BC V3S 8E5  
 Tel (604) 576-1808 Fax (604) 576-2454  
**Shipping:** 5353 - 192nd St. Surrey, BC V3S 8E5  
 Website: www.ae-concrete.com

**Scale: 1:20 mm**

**Total Wgt: 234 kgs / 515 lbs**

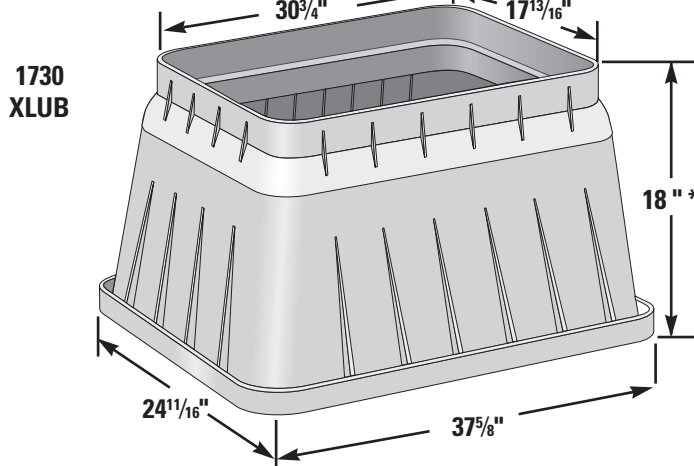
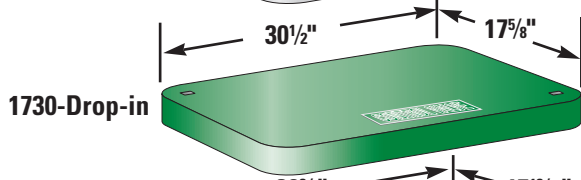
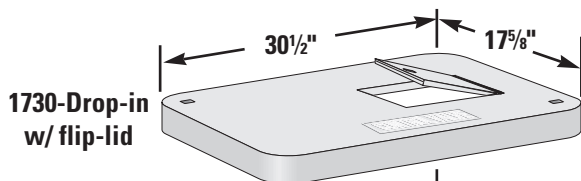
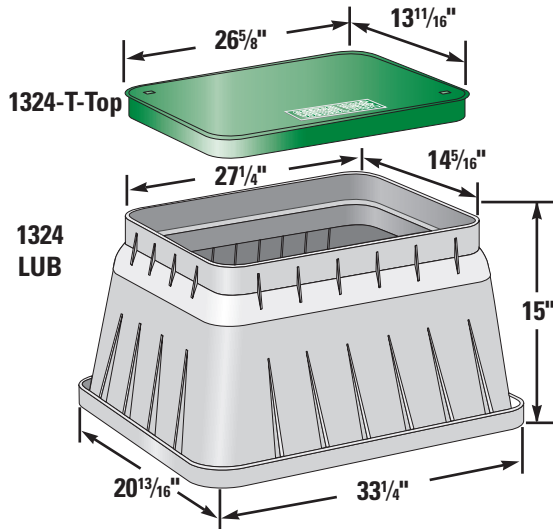
**Rev: 28Jun08**

**Dwg#: T266-N3-ZZZZ-C**



# ACCESS BOXES

## LUB & XLUB IRRIGATION TURF BOXES



\*Also available in 15" height

- Structural foam material
- Lighter than cast iron or concrete boxes
  - Easier warehouse handling
  - Lower injury potential
- Stainless steel bolts secure lid
  - Discourages vandalism
  - Keeps lid intact in high water
- Lids are easily interchangeable
- Lids available in green
- Boxes available in black



ARMOR ACCESS BOXES

"You're Covered!"

# LUB & XLUB IRRIGATION TURF BOXES

DESCRIPTION	PART #	DESCRIPTION	PART #
<b>LUB ASSEMBLIES</b>		<b>XLUB ASSEMBLIES</b>	
<b>Control Valve</b>		<b>Control Valve</b>	
Black Box, Green Lid (13" x 24" x 15")	195101	Black Box, Green Lid (17" x 30" x 15")	195102
		Black Box, Green Lid (17" x 30" x 18")	195103
<b>LUB BOXES ONLY</b>		<b>XLUB BOXES ONLY</b>	
Black (13" x 24" x 15")	195037	Black (17" x 30" x 15")	195035
		Black (17" x 30" x 18")	195036
		<b>XLUB LIDS ONLY</b>	
		<b>Control Valve</b>	
		Green w/Washer and Bolt	195051



502 Indiana Ave - P.O. Box 1047, Sheboygan, WI 53082-1047, USA  
 Phone: 800.348.7558 • Fax: 888.246.0085 • International Phone: 920.451.9321  
 E-mail: [info@armoraccessboxes.com](mailto:info@armoraccessboxes.com) • [www.armoraccessboxes.com](http://www.armoraccessboxes.com)



Finance Committee Meeting Date: July 16, 2009

To: Finance Committee

From: Johnny Carline, Chief Administrative Officer  
Delia Laglagaron, Deputy Chief Administrative Officer  
Jim Rusnak, Chief Financial Officer

Date: June 30, 2009

**Subject: Financial Projections for 2010 to 2014**

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*Recommendation:*

That the Board endorse the five year financial framework for 2010-2014 for budget and long range planning purposes as outlined in the report titled “*Financial Projections for 2010 to 2014*” dated June 30, 2009.

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**1. PURPOSE**

To review and endorse financial projections as part of the 2010 Program Planning and Budget Process.

**2. CONTEXT**

*Program Planning and Budget Process*

A key part of the Program Planning and Budget process is the establishment of a framework of five year financial projections which are used to set the context for budget development purposes (see Schedule 1 attached for the timeline of our process).

These financial projections reflect, at this point in time, the anticipated program budget changes based on Board supported initiatives as well as legislative and operational requirements. Some of the key corporate financial drivers impacting on operations are general inflation, inflation affecting labour costs, along with a need for increased maintenance on our water and liquid waste system infrastructure. The impact of these factors varies by legal entity, and are addressed in the discussion that follows.

This year the process of reaching the 5 year projections included more consultation in advance of bringing forward the targets. The consultation included strategic discussions with the Finance Committee (June 11<sup>th</sup>) and with RFAC (June 17<sup>th</sup>). It was intended to get feedback from RAAC and REAC in advance of the July 16<sup>th</sup> Finance Committee meeting, however, both of these committees have rescheduled their meetings to now occur after Finance Committee.

In the pre-budget discussion with Finance Committee, the key feedback from the committee was:

- Concerns were expressed about the impact of proposed budget cuts on services provided and on necessary maintenance
- The GVS&DD should start to build up its reserves now, for upcoming liquid waste major projects

At the RFAC meeting, there was discussion around the urgency of finding an alternative to Cache Creek, given the 2010 closure of the landfill, and a general discussion around the cost drivers associated with various alternatives. We also heard from RFAC that proper communication and messaging is an important part of helping taxpayers understand rising utility costs, and that, generally speaking, municipalities have received very few complaints about increases in sewer and water rates.

As in the past, these projections, subject to unpredictable new cost drivers and uncertainties, are reviewed and endorsed by the Board.

Historical Budget Perspective

The Finance Committee has been interested in understanding the historical progression of the Districts' budgets. As in the prior years, Schedule 2 shows this information and includes annual budget changes along with explanations of any significant swings.

Overview of 5 year Budget Framework

Accurately forecasting 5 year financial projections is difficult. Since the Board endorsed the 5 year financial projections in 2008 many things have happened. These include the increased costs of the tunnel contract associated with the Seymour-Capilano Filtration Project due to well known issues with the previous contractor. In addition, there has been the increased focus on asset management, and managing the risks associated with required maintenance of our water and liquid waste systems, the emerging feedback from the discussion and consultation on the new Liquid Waste and Solid Waste Management Plans. All of this takes place in the midst of a world wide down turn in the economy. As discussed with the Board, earlier in the year, and again with the Finance Committee at the special pre-budget workshop in June, there are positive and negative impacts on Metro Vancouver as a result of the economic circumstances. On the one hand, it is a very good time to continue with project work, with reduced input costs, more skilled labour available, more competitive tenders and RFP's as well as a relatively low cost of capital to Metro Vancouver. On the other hand we need to be aware of consumer and taxpayer fatigue, rising unemployment and pressure on the municipal property tax base. The projections discussed below reflect such, particularly for 2010 budget. There is a balance however, as too much cost deferral particularly in the area of system maintenance will serve to put pressure on future year's projections.

Each legal function is covered in detail below. Overall the projections shown will increase the average household cost in 2010 for District services by approximately \$36. An average household is approximately \$600,000 in assessed value which is consistent with 2009.

**Regional District:**

**Impact to Average Household**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
July 2008 Projections	5.5%	5.5%	3.5%	3.5%	--
<b>Updated Projections</b>	<b>4.0%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>3.5%</b>	<b>3.5%</b>
<b>Impact to Household</b>	<b>\$1.43</b>	<b>\$2.04</b>	<b>\$2.15</b>	<b>\$1.45</b>	<b>\$1.50</b>
<b>Total annual Household cost</b>	<b>\$37.11</b>	<b>\$39.15</b>	<b>\$41.30</b>	<b>\$42.75</b>	<b>\$44.25</b>

Note: In this case we are assuming that growth in the region will be 1.5%.

It is proposed that for 2010 it will be targeted to absorb the impact of 1.5% regional growth. The main budget drivers in the Regional District continue to be primarily the impact of inflation and the implementation of the Parks Greenway Management Plan (PGMP) of approximately \$15 million which is being phased in over 10 years. The reduced projection for 2010 will likely result in the deferral of some of the planned expenditures under the PGMP. This is proposed to be accommodated in future years. In addition, it should be noted that new Board initiatives may fall within the Regional District budget, as they have in the recent past (e.g. agriculture, culture, international engagement).

**Water District:**

**Impact to Average Household**

<b>Water Rate (m3)</b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
July 2008 Projections	.4672	.4859	.5053	.5255	--
• Impact of New Tunnel Contract	.0300	.0500	.0700	.0850	--
• Impact of Lower Consumption	--	.0330	.0450	.0630	--
• Impact of Increased Maintenance/Other	--	.0150	.0204	.0358	--
<b>Updated Projections</b>	<b>.4972</b>	<b>.5839</b>	<b>.6407</b>	<b>.7093</b>	<b>.7556</b>
<b>Impact to Household (rounded)</b>	<b>\$21</b>	<b>\$33</b>	<b>\$22</b>	<b>\$26</b>	<b>\$21</b>
	<b>12.3%</b>	<b>17.4%</b>	<b>9.7%</b>	<b>9.5%</b>	<b>6.6%</b>
<b>Total annual Household cost</b>	<b>\$190</b>	<b>\$223</b>	<b>\$245</b>	<b>\$271</b>	<b>\$289</b>

The upward pressure on the wholesale water rate is due to the debt service and operating costs associated with the Seymour-Capilano Filtration Plant. In particular, increased tunnel contract costs, updated projections of declining water consumption and increases in system maintenance and costs associated with asset management planning have pushed the water rate projections higher than those endorsed by the Board last year. It is targeted for 2010 that these upward pressures be absorbed with the exception of the increased tunnel costs. It is further projected that the deferrals from 2010 be accommodated in future years. Legal action is being taken to recover the additional tunnel costs, however, resolution of such may be several years into the future and not reflected in the above projections.

**The Water Rate projections for 2010-2013 have been increased to reflect the impact of these budget drivers.** A projected water rate of \$0.7556 has been added for 2014 as well.

*Budget uncertainties not reflected in current projections:*

- 1) Water Sales revenue variances: a wet summer can cause revenue variances of +/- 3% (\$3 million).
- 2) The market indicators on long-term interest rates are indicating a possible increase in future borrowing costs.
- 3) Financial implications regarding the recovery of the increased tunneling costs of the Seymour-Capilano Filtration Project.

**Sewerage and Drainage District:**

**Liquid Waste:**

**Impact to Average Household**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
July 2008 Projections	4.0%	4.0%	4.0%	4.0%	- -
<b>Updated Projections</b>	<b>2.5%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>5.5%</b>	<b>5.0%</b>
<b>Impact to Household (rounded)</b>	<b>\$4</b>	<b>\$10</b>	<b>\$10</b>	<b>\$10</b>	<b>\$10</b>
<b>Total annual Household cost</b>	<b>\$162</b>	<b>\$172</b>	<b>\$182</b>	<b>\$192</b>	<b>\$202</b>

Note: We are assuming that population growth in the region will be 1.5%

It is proposed that for 2010 it will be targeted to absorb the impact of 1.5% regional growth. The main budget drivers in Liquid Waste continue to be the impacts of inflation on labour rates, and the increased costs associated with the maintenance of our aging infrastructure. The Liquid Waste budget is particularly sensitive to the need for increased maintenance. The proposed reduction in 2010 will likely be the result of a deferral of maintenance related projects which will be adjusted for in future years.

**The Liquid Waste projections for 2010-2013 have been increased to reflect the impact of these budget drivers.** A projection of 5.0% has been added for 2014 as well.

*Budget uncertainties not reflected in current projections:*

- 1) Possible costs associated with the Secondary Treatment Upgrade projects at the Lulu Island and Lions Gate Treatment Plants should these projects commence sooner than currently planned.
- 2) The market indicators on long-term interest rates are indicating a possible increase in future borrowing costs.

**Solid Waste:**

**Impact to Average Household**

<b>Tipping Fee</b> (\$71 per tonne)	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
July 2008 Projections	\$75	\$80	\$88	\$103	--
<b>Updated Projections</b>	<b>\$82</b>	<b>\$87</b>	<b>\$98</b>	<b>\$113</b>	<b>\$130</b>
<b>Impact to Household</b> (rounded)	<b>\$11</b>	<b>\$4</b>	<b>\$11</b>	<b>\$15</b>	<b>\$16</b>
<b>Total annual Household cost</b>	<b>\$80</b>	<b>\$84</b>	<b>\$95</b>	<b>\$110</b>	<b>\$126</b>

The impact of 3<sup>rd</sup> party contract inflation and the rising cost of fuel have put upward pressure on the tipping fee in recent years; however, this pressure has been offset by continuously increasing waste flows in the region and energy revenues through the sale of steam and electricity. This is no longer holding true. A deficit in 2008 and one projected for 2009 are reflective of declining waste flow and the loss of the associated economies of scale. The 2010 projection includes \$6 to recoup the projected 2009 deficit.

**The Solid Waste Tipping Fee projections for 2010-2013 presented last year have been increased to reflect these changes.** These increased tipping fee projections are driven by several factors:

- Projected 2009 deficit.
- Third party contract inflation.
- Declining waste flows.
- The financial impacts of the current draft of the Solid Waste Management Plan (SWMP) which is currently in the consultation process. In particular, the projection reflect the debt service costs associated with the projected construction of new waste management facilities at a cost estimated, at this stage, to be likely in excess of \$700 million. The SWMP provides for increasing waste diversion from the current 52% to 70% by 2015. This reduction in waste flows through the system would result in the loss of some economies of scale in the short term, therefore putting upward pressure on the tipping fee. In addition, with the Cache Creek Landfill closing in 2010, a higher cost waste disposal alternative has been included to bridge the gap until the increased waste management capacity is available in 2015. **While the projected tipping fees are reflective of the financial impacts discussed, many uncertainties and financial concerns remain to be resolved and quantified as the plan for regional waste management is finalized.**

*Budget uncertainties / financial concerns:*

- 1) In the near term, with the impending closure of the Cache Creek Landfill uncertainties exist with regard to the waste disposal alternative to be employed until a long term waste management solution is finalized.
- 2) The resource requirement associated with increasing the rate of waste diversion in the system as called for under the Draft SWMP has not been quantified in a detailed manner.
- 3) The timing of adoption of an amended SWMP, and the capital spending that flows from it, will have significant impact on projections. If the plan is finalized sooner than assumed, this will accelerated the capital components and the financing required, thus putting upward pressure on tipping fee.

**MVHC - Regional Affordable Housing:**

The MVHC, the majority of which is governed by partnership operating agreements, is supported by revenue from property rentals which have exceeded expenditures in recent years. Over the past few years a number of operational improvements have been made leading to more efficient use of existing resources and some properties were refinanced to improve the MVHC financial picture. Despite these improvements a review in conjunction with our funding partners is underway in developing a longer term management plan regarding two significant issues facing the MVHC: 1) the financing of the required water ingress repairs and 2) ongoing maintenance and capital replacement of our now aging portfolio.

We continue to move towards resolving some of these issues which should assist in meeting the financial pressures to maintain the existing portfolio in the near future.

**3. ALTERNATIVES**

- 1) The Board can endorse the five year financial framework as presented
- 2) The Board can provide direction for amending the five year financial framework as it considers appropriate

**4. CONCLUSION**

While some uncertainties remain, several things have happened since the financial projections were presented during the 2009 Program Planning and Budget process. As a result the projections for 2010 – 2014 reflect the information known at this time. The projections are reflective of the sensitivity to the economic uncertainties for the region showing restraint in 2010 where possible through deferral to future years.

PT/eb

Attachments:

Schedule 1 - 2010 Program Planning Schedule

Schedule 2 - Greater Vancouver Districts' Historical Budget Analysis

Document #004945961

## 2010 Program Planning Schedule

<b>Date (2009)</b>	<b>Action</b>
<b>Internal Deadlines</b>	
May 25	CAO/Managers' meeting to discuss strategic priorities and key expenditure drivers for 2010
May 26	2009 PIP open to program owners
June 12	Deadline for department dependency identification
July 17	Deadline for program owners' completion of programs/budget and staffing
July 31	Deadline for completion of Managers' program review
Aug 1-21	Finance department review of programs
Aug 24-28	CAO administrative review
Aug 31-Sep 11	Managers' appeal
Sep 18	Final adjustments to Finance
<b>Five-Year Projections</b>	
June 11	Five-year Projections to Finance Committee (informal discussion)
June 17	Five-year Projections to RFAC
June 24	Five-year Projections to RAAC ( <b>Meeting cancelled, defer to July</b> )
July 3	Five-year Projections to REAC ( <b>Meeting changed to July 17<sup>th</sup></b> )
July 16	Finance Committee review and approve Five-year Projections/Targets
July 31	Board review and approve Five-year Projections
<b>Committee Review</b>	
Sep 18	Electoral Area Committee review of programs
Sep 18	Housing Committee review of programs
Oct 6	Environment & Energy Committee review of programs
Oct 7	Parks Committee review of programs
Oct 8	Agriculture Committee review of programs
Oct 8	Labour Relations Bureau review of programs
Oct 9	Regional Planning Committee review of programs
Oct 14	Water Committee review of programs
Oct 14	Waste Management Committee review of programs
Oct 15	Intergovernmental Committee review of programs
Oct 15	Finance Committee review of programs
Oct 15	Finance Committee review of Draft Budget
Oct 28	Info Session for RAAC/REAC/RFAC
<b>Public Consultation</b>	
TBD	Public Consultation Session
<b>Municipal Consultations</b>	
TBD	Municipal Consultation Session – North Shore, City of North Vancouver
TBD	Municipal Consultation Session – City of Vancouver City Hall
TBD	Municipal Consultation Session – Fraser North, New Westminster City Hall
TBD	Municipal Consultation Session – City of Richmond City Hall
TBD	Municipal Consultation Session – Fraser South, City of Surrey City Hall
<b>Board Review</b>	
Oct 21	Board budget workshop
Oct 23	MVHC Board - approval of programs & budget
Oct 30	RD, WD & SD Boards - approval of programs & budget